What is claimed is:

1. A method implemented by a programmed computer system for providing default protection associated with a protection agreement between a protection provider and a participant in a deferred compensation plan, wherein the default protection is on an unsecured general obligation of a party sponsoring the deferred compensation plan arising from the participant's election to defer at least a portion of participant's compensation, comprising:

using the computer to store data relating to the protection agreement between the protection provider and the participant in the deferred compensation plan, wherein the stored data includes a value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation;

determining whether a credit event associated with a fixed income security issued by the party sponsoring the deferred compensation plan has occurred;

obligating the protection provider to make a protection payment to the participant after the credit event occurred, wherein the value of the protection payment is based at least in part upon the stored data including the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation;

calculating, on the computer, a protection agreement fee to be paid by the participant to the protection provider; and

making a protection agreement fee payment from the participant to the protection provider.

2. The method of claim 1, wherein the fixed income security is a debt instrument.

3. The method of claim 2, wherein the debt instrument is a bond.

4. The method of claim 3, wherein the bond is a fixed income, long dated bond.

5. The method of claim 1, wherein the credit event is determined on the computer and is selected from the group including: (a) bankruptcy; (b) failure to pay an obligation when due; (c) restructuring; (d) obligation default; (e) obligation acceleration; and (f) repudiation/moratorium.

6. The method of claim 1, wherein the value of the deferred compensation arising from the participant's election to defer at least a portion of participant's compensation is adjusted by adding to an initial value of the deferred compensation any amounts of additional compensation deferred

by the participant less any payments made by the party sponsoring the deferred compensation plan to the participant.

7. The method of claim 6, wherein the value of the deferred compensation changes over time.

8. The method of claim 7, wherein the value of the deferred compensation changes over time periodically at an interval selected from the group including: (a) daily; (b) weekly; (c) monthly; (d) quarterly; (e) semi-annually; and (f) annually.

9. The method of claim 1, further comprising making the protection payment to the participant from the protection provider after the computer determines that the credit event occurred.

10. The method of claim 9, further comprising obligating the participant to provide the unsecured general obligation of the party sponsoring the deferred compensation plan to the protection provider.

11. The method of claim 1, wherein the steps are performed in the order recited.